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WEEKLY REVIEW

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Satellites Tighten Security of their Western Borders

Numerous measures for strengthening border security, varying in intensity with immediate needs, are being enforced along the Satellite borders with Western Europe.

These tighter border controls seem to be aimed at lessening the chances for escape to the West, making the infiltration of hostile agents more difficult, and, possibly, concealing military activity.

More drastic measures have so far been ordered in Rumania, Bulgaria, Hungary, Czechoslovakia and Albania than in Eastern Germany or Poland. This preoccupation with the security of frontiers has long been characteristic of the USSR, which has resorted to mass deportations of "unreliable" minorities from border areas and to extensive physical security precautions.

Rumania

The most spectacular current evidence of this Satellite preoccupation with border security comes from Rumania, which has forced large-scale evacuation from a 30 to 40 mile strip along the Yugoslav border. Those being evacuated are peasants hostile to the regime and non-Rumanian nationals, chiefly Serbs. Several thousand persons are estimated to have been moved from the region into the interior of Rumania. Special passes are now required for entry into a security zone approximately 15 miles wide along the Yugoslav border and the Black Sea coast.

Bulgaria

Evacuations of "unreliables" have recently occurred from the region along Bulgaria's border with Yugoslavia, as well as from areas adjacent to the Bulgarian frontiers with Greece and Turkey. The drastic strengthening of border security along the Yugoslav frontier during the past six months has doubtless been aimed at stemming the continuous flow of defectors from Bulgaria, who have numbered at least several hundred since last winter. Ethnic Turks and Bulgarian Moslems were removed from the Turkish and Greek border areas as early as 1947. At least 100,000 of the Turkish minority of 750,000 in Bulgaria have been deported to Turkey during the past year. Extremely rigid residence and travel restrictions are now in effect in a two kilometer wide zone along the Bulgarian border with Yugoslavia, Greece, and Turkey and along the entire Black Sea coast. Somewhat less stringent restrictions apply in a secondary zone thirty kilometers wide.

Hungary

Concerted measures by Hungary to seal its borders with Yugoslavia were first reported during the spring and summer of 1950. They involved the deportation of "unreliable" elements from the border zones, more extensive

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physical security installations, and the establishment of a fifteen kilometer restricted area requiring special passes for entry. Since last fall there has been a decline in reports of further border security measures undertaken by the Hungarian Government.

Czechoslovakia

A zone of extreme security now exists along Czechoslovakia's frontier with the US Zone of Germany. The evacuation of "unreliable" members of the population from the area has been proceeding systematically since 1948, with the largest deportations occurring during 1950. As a result, many areas along the frontier are completely uninhabited. Only two or three passable roads enter the area, strips of land have been cleared immediately along the border, numerous strong patrols are evident, and special passes are required for entry into an area 15 to 30 kilometers wide along the entire border. Although the Czechs have been engaged in efforts to improve the pre-war border fortifications, their first concern has been with security.

Albania

Particular attention has been given by the Albanian Government to the security of its border with Yugoslavia. Army troops in the northern border regions were strengthened by 2,000 in March 1951. An apparent increase has also occurred in the strength of the border security forces in northern Albania. During the past year dissident elements have been exchanged between the northern and southern border regions. They have not been resettled, however, but have been placed in labor camps. To discourage clandestine traffic across its long, exposed frontiers, the Albanian Government has resorted to a widespread use of land mines.

East Germany and Poland

East Germany and Poland have instituted less extensive security measures than the other Satellites because of particular local conditions. The East German Communists apparently do not desire to emphasize by too obvious border controls the lack of German unity. Poland, on the other hand, is concerned only with its Baltic coast, since its land frontiers all border on those of other Satellites. Polish control measures along the Baltic have included the evacuation of "unreliable" elements of the population, increased numbers of frontier guards and new restrictive regulations on travel.

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Popularity of Chinese Communists Declining among Overseas Chinese

The once favorable attitude of the overseas Chinese in Southeast Asia toward the Communist regime of China appears to be giving way to one of distrust, despair and fear.

The growing antagonism toward the Communist regime could significantly alter Communist tactics for expansion in Southeast Asia, for there is considerable evidence that the overseas Chinese communities were counted upon as an easily available and important instrument for the drive to extend Communist control.

The spectacle of Chinese turning away from a Chinese Government would not only cost the Communists valuable support and loss of prestige, but would also tend to cause the governments in the area, which heretofore have tended to take refuge in neutrality, to adopt a more realistic policy toward the threat of Communist China.

The squandering of Chinese manpower in the Korean adventure has appalled many overseas Chinese. They are also disgruntled over broken Chinese promises that properties belonging to them or to their relatives in China would receive preferential consideration in the implementation of land reforms. The indiscriminate liquidation of fellow Chinese accused of counter-revolutionary and espionage activities has been a source of growing disgust.

The increasing restrictions on travel to China, contrary to propaganda that the Communists welcomed the return of overseas Chinese, seem to imply that all are suspected of disloyalty. Chinese Communist diplomats, at first warmly received by resident Chinese, have alienated many of the latter because of their participation in subversive activities and their propensity for placing party interests above those of the local Chinese community. Finally, Chinese Communist popularity has undoubtedly suffered as a result of an extortion campaign directed from China whereby "contributions" are extracted from the local Chinese in the form of ransom for imprisoned relatives or "back taxes" paid to prevent confiscation of property in China.

The accumulation of evidence revealing the nature of the Chinese Communist Government may well undermine, if not shatter, the illusions held by the overseas Chinese that the Communists are bringing a new era of peace and prosperity to the homeland, winning power and prestige for China in international affairs and protecting what they, as Chinese, consider to be their legitimate rights in the countries of residence.

The development of anti-Communism among the Chinese in Southeast Asia into an effective force, however, is severely handicapped by the absence of a popular alternative political movement capable of providing protection from the tightly organized and highly disciplined Communists, and by the vulnerability of Southeast Asia to Communist aggression.

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All Mid-East Oil Companies Face Pressure for Higher Royalties

Negotiations by the interested companies with Iraq, Bahrain, and Kuwait for revision of a rate of royalty payments are adding to the confusion in the Middle East oil crisis provoked by the deadlock in Iran.

All of these states are interested in increasing their oil revenues along the lines of the 50-50 profit-sharing arrangement agreed upon by the Arabian-American Oil Company (ARAMCO) with Saudi Arabia at the close of 1950. The companies are prepared to increase their payments but want to go slowly, realizing that the desire of these governments for more money is probably limitless.

At the same time the plight of the Anglo-Iranian Oil Company (AIOC) in Iran, which stems directly from the company's past unwillingness to meet Iranian requests for increased payments, cannot help but affect the attitude of the other oil companies. With the possible exception of Iraq, there are no indications at the moment that extreme nationalistic elements in these states are interesting themselves in the oil question.

The Iraqi negotiations were recessed in early June, but it is expected that they will be resumed either in London or Baghdad during July. The international structure of the Iraq Petroleum Company (IPC) has complicated the negotiations by raising taxation technicalities. The chief point of disagreement between IPC and Iraq concerns the extension of the new contract to all three of the company's present concessions--Kirkuk, Basra, and Mosul. The Iraqis, dissatisfied by the slow rate of development in the latter two fields, would like to exempt them from coverage, probably anticipating that they then could be re-leased under more favorable terms, possibly to some other company. IPC is unlikely to accept such a proposal.

In the case of Kuwait, discussions between a representative of the Sheikh and the Gulf Oil Company and AIOC (the two partners in the Kuwait Oil Company) are about to begin. For the past three months the two oil companies have been engaged in extensive corporate reorganization as the first step toward offering an increase in revenues.

The Bahrain Oil Company, an American-controlled corporation, has decided to offer the Sheikh of Bahrain a lump sum payment of about \$100,000 a month, hoping to postpone any commitments on oil royalties until the pattern of Middle East payments becomes clearer. The possibility that production will be expanded if the Iranian output is lost probably will cause the Sheikh to demand payments geared to actual flow of oil.

The deduction of foreign income taxes before division of profits, which is permitted under the ARAMCO agreement, is not included in the IPC offer to Iraq. Consequently this new arrangement will undoubtedly be followed in future contracts with Bahrain and Kuwait and foreshadows a revision of the Saudi Arabian agreement. There have been indications that Saudi Arabia has indicated

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its dissatisfaction with the size of its payments from ARAMCO, and its wish to adjust the six month-old contract to compensate for higher US corporation taxes.

Although the Saudi Arabian contract was the direct cause of the revision move by the Near East states, the Iranian crisis gave it real impetus. Regardless of the final outcome in Iran, all Western oil companies operating in the Middle East will be forced to meet pressure for upward scaling of royalties.

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The Problem of Organizing a German Defense Force

The creation of a German defense force appears to hinge, most immediately, on the willingness of the Federal Republic to put its troops under a European Army rather than directly under NATO. Behind this question is the even more delicate one of the degree of political independence to be granted the Federal Republic in return for a defense contribution. The next few months should clarify the issue.

Last September, when the US proposed the rearmament of the Germans, the French reacted negatively. At the Brussels conference in December, therefore, the US met the objections by agreeing that the Allies would join the Germans in examining the nature of a German contribution to the North Atlantic Treaty Organization. These German-Allied discussions began in January of this year at the Petersberg, headquarters of the Allied High Commission near Bonn.

The French, however, did not feel easy about creating a separate German force, even if it were to come under the control of NATO. They preferred to mingle German forces with those of other nations in such a way that the Germans could never take unilateral military action. Therefore, they conceived the scheme of a European Army, in which the divisions would be composed of several 6,000-man regimental combat teams, each of a different nationality. The Germans would not be allowed a national unit larger than a combat team.

Although the initial reception of the French proposal, known as the Plevin Plan, was cool in most countries concerned, the French were permitted to go ahead with a conference on the plan. This conference began in Paris in March.

Interim reports on both the Petersberg and Paris talks are about to be issued. The Petersberg paper will reveal several German proposals repugnant to France: combat teams of not 6,000 men each, but 12,000--really a small division; a defense ministry; and an inspectorate general, which the French regard as a general staff. To Paris, the whole German approach smacks of recreating a national German army, something the French still fear. The Germans, however, will be slow to give up their organizational ideas.

The Paris report, due about 10 July, will show that the Germans have not yet agreed to the French plan of mixed divisions. Instead, they prefer divisions of a single nationality, with international integration coming at the corps level. There are also differences on other details.

The French have insisted that the Petersberg report, though it will be the first ready, should be withheld from NATO until the Paris report is issued. By having the two reports considered simultaneously, the French hope to smother the German plan of a direct contribution to NATO. Their determination in this matter has caused even the chief of the German delegation in Paris to tell US officials that he believes the European Army is perhaps the only means of obtaining a modification of the French position on the size of German units, a German general staff, and a German defense ministry.

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Party Discord over Consolidation of Collective Farms in the USSR

Top-level disagreement over the official Soviet policy of "consolidating" collective farms, announced on 18 January by N. S. Khrushchev of the Politburo, appears to be slowing the program.

The intra-party discord, according to the evidence on hand, concerns chiefly the speed with which the program is to be carried out. Peasant antagonism to resettlement in larger, "consolidated" kolkhozes may be a factor behind public attacks on the policy by other Soviet officials.

Despite this apparent disagreement on the policy-making level, the new program will probably be realized in the long run without many important changes. While the program's realization would have the significant advantage of making manpower available for use elsewhere, under wartime conditions it would have the distinct disadvantage of requiring scarce machinery and petroleum.

The first evidence of discord in the highest echelons of the party over the collectivization program instituted in early 1950 appeared on 5 March, the day after the publication of Khrushchev's January speech in Pravda, when three leading Soviet newspapers published a statement to the effect that Khrushchev's remarks were "open to discussion."

On 20 March, a speech of Armenian Party boss Arutiunov was published which further supports the belief that intra-party differences have occurred in connection with the farm consolidation program. Arutiunov stated (without mentioning Khrushchev's name) that certain "comrades" have "tended to disorient" the party on the main task confronting the consolidation program, which is to consolidate farm work, not villages.

Arutiunov may well have been referring to an earlier Khrushchev speech of 28 June 1950, in which the latter said that it was impossible to wait for the collective farms to build houses for all the farmers in the new villages. Khrushchev expressed his opinion that the solution was to transfer the population of small villages to larger ones, and then to await the gradual building of new homes for the collective farmers.

Unenthusiastic peasant response to Khrushchev's accelerated tempo may have caused a reaction in favor of the more gradual farm consolidation plan that appears to be in effect at the present time. Peasant resentment against leaving individual homes for larger villages or completely strange "agrogorods" probably accentuated their resentment toward the entire program.

Finally, in a speech of 26 May 1951, M. D. Bagirov, Azerbaijan Party Secretary, demanded the eradication of the "incorrect" idea that the most important task in Kolkhoz construction is the fusing of small villages into single kolkhoz settlements. Bagirov described as "harmful" and "intolerable" the existing system of cutting down the size of garden plots immediately adjacent to the collective farmer's home by moving part of them beyond the

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village limits. This may have been a contributing factor which helped to turn the rural population against Khrushchev's ambitious scheme to speed up the consolidation of small farms.

Despite intra-party disagreement as to the speed of consolidation, there seems to be no serious conflict over its aims, which at present appear to be twofold. Party representation in the rural areas of the USSR has evidently been too thin, and present consolidation moves will probably make more efficient use of the limited number of party members available for agriculture. Secondly, it is quite possible that the desired increase in agricultural output may be accomplished through wider use of mechanical equipment, resulting, in turn, in the release to industry of thousands of unneeded farm workers.

The Vatican and World Communism

A more vigorous counterattack by the Vatican, traditionally disposed to compromise with its enemies throughout the world, may result from the persecution of Catholic leaders in the Soviet Satellite states.

The official Osservatore Romano, conforming to the views of neutrality-minded Catholic circles, states that Communism, as an idea, can not be conquered by force. Recent utterances of the Pope, however, suggest that despite the Vatican's traditional desire for peace, and despite the drawbacks of an ideological war in which it would suffer, other leaders hold such a war to be inevitable if the long-term survival of the Church is to be insured.

The Vatican has taken a strong stand against Communist persecution of its local hierarchies, but it has been forced to avoid close identification with US policy in order to maintain its position as a supra-national institution.

The Vatican feels that its anti-Communism must be demonstrated only on religious and moral bases. This attitude cannot take the form of an overt political offensive which would identify the Church completely with the West, because such a course would alienate many Roman Catholics in Communist areas and would associate it with the remnants of colonialism in Asia and Africa. Therefore, it has attempted when absolutely forced, albeit with little success, to arrive at a modus vivendi with Communist-controlled states around the Soviet perimeter.

The Vatican, as a center of a world religion, has been seeking to avoid expression of national partisanship or even of preference for any particular form of government. As the oldest diplomatic institution in Europe it is prone to follow a course which will further its long-term religious interests. This course of action may not at times coincide with the national interests of any particular group.

Today, nevertheless, the greatest challenge to the Church is Soviet Communism, which has attacked it as a foreign power, an enemy of the Communist State, an instrument of US foreign policy, and a vehicle of western colonialism in Africa and the Orient. The Communists have sought to neutralize or eliminate Roman Catholicism in their areas by severing the connections of the local hierarchy and communicants with Rome, by persecuting priests, by creating national churches, by placing the Eastern Rite Catholics under the Russian Orthodox Church, and by preventing the Church from undertaking its traditional educational and charitable activities.

The Vatican has countered this persecution with its traditional policy of doctrinal intransigence, reluctant compromise in purely temporal matters, and excommunication. It has been forced in several instances, however, to assent at least tacitly to arrangements between the local hierarchies and the

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Communist states in the hope of preserving remnants of church organization in those areas. Conscious of the threat of Communism to western civilization, it has fought Communism through Catholic parties, which are particularly influential in Western Europe, and through support of resistance movements by its hierarchies in Eastern Europe.

The Pope is aware, however, that the Church cannot influence many millions of Catholics who, in protest against their wretched economic status, continue to vote Communist. To counter the economic appeal of Communism, the present Pope has increasingly stressed the importance of dealing with social questions on the basis of Pope Leo XIII's famous encyclical of 1891, "Rerum Novarum," the Church's program for solving the social problems of modern society. As a result, the progressive faction at the Vatican, led by Monsignor Montini, appears to be gaining in strength in relation to the conservative elements, led by Monsignor Tardini.

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